

Summary of the Rejections

The following identifies the authority and prior art applied to the identified claims for each rejection of the claims set forth in the Office Action dated January 29, 2002.

1. Claim 1 is rejected under 35 U.S.C. Section 102(e) as anticipated by Copple et al. US 6,178,408 B1 filed on July 14, 1999, and issued on January 23, 2001.
2. Claims 2-8 and 10-13 are rejected under Section 103(a) as obvious over Copple et al. in view of Jack et al. US 5,915,244.
3. Claim 9 is rejected under Section 103(a) as obvious over Copple et al. in view of Shoham US 6,285,989 B1 filed on August 7, 1998, and issued on September 4, 2001.
4. Claims 14-16 and 18-20 are rejected under Section 103(a) as obvious over Copple et al. in view of Barzilai et al. US 6,012,045 filed July 1, 1997, and issued January 4, 2000.
5. Claim 17 is rejected under Section 103(a) as obvious over Copple et al. in view of Barzilai et al. and Ausubel US 6,026,383 filed January 4, 1996, and issued February 15, 2000.

Applicant traverses the grounds for each and every rejection for the reasons set forth herein below and further in view of the declaration of the inventor and another having personal knowledge of the development history of an on-line incentive points-based auction system embodying the present invention, submitted herewith pursuant to 37 C.F.R. §§131 and 132.

Applicant's Arguments

Applicant traverses the rejection of **claim 1** under 35 U.S.C. Section 102(e) as anticipated by Copple et al. Copple et al. does not disclose the recited step of "designating, for

an auction, a set of auction items from the catalog of potential auction items." The amendment, adding "for an auction" does not change the scope of the originally submitted claim 1.

However, Applicant has included the additional phrase to ensure proper interpretation of the recited designating step.

The method recited in claim 1 includes at least three stages to an on-line auction. During a preliminary stage, corresponding to the recited "designating" step and disclosed, by way of example, in step 202 of Fig. 8, an auction sponsor designates a set of items to be included in an on-line auction from a catalog (e.g., global catalog 66 of Fig. 2) of potential auction items. Such step establishes the set of items to be bid upon during a bidding stage, represented in claim 1 by the "providing" and "maintaining" steps. Finally, winning bids are established in an auction post-processing stage corresponding to the recited "identifying" step.

Applicant traverses the Office Action's interpretation/construction of the claimed "designating" step. The Office Action refers to actions performed by auction participants during a bidding stage (e.g., a user selecting particular auction items to bid upon) to identify teachings in Copple regarding the claimed designating step. In view of Applicant's clarifying amendment with regard to the "designating" step, Applicant respectfully asserts that the Copple et al. reference neither discloses nor suggests the claimed designating step recited in claim 1. Copple et al. discloses an on-line auction method based upon an existing set of auction items (with no explanation of how the set of auction items to be bid upon by participants is determined). Nowhere does Copple et al. disclose or even remotely suggest the pre-auction step of establishing a set of auction items by selecting a sub-set of auction items from a catalog of potential auction items. The designated sub-set of auction items are then made available to participants during a subsequent open bidding stage of the auction.

Applicant traverses the Office Action's rejection of claims 2-8 and 10-13 under Section 103(a) as obvious over Copple et al. in view of Jack et al. US 5,915,244 for at least the reasons established with regard to claim 1. With regard to **claim 2**, Applicant is unaware of any disclosure or suggestion in either of the cited references regarding enabling auction participants to purchase additional incentive points to bid upon an on-line auction item. The Jack et al. reference, at cols. 3 and 4, discloses the point purchase relationship between an auction sponsor (e.g., an employer) and an incentive company (e.g., Hinda Incentives). In contrast, the recited claim 2 steps concern enabling an auction participant (e.g., an employee) to purchase points to meet a shortfall.

Applicant traverses the rejection of **claim 3** since neither Jack nor Copple disclose or remotely suggest the recited step of conditionally executing a points purchase transaction in the event the points are needed by a participant to meet a winning bid. In the event that the rejection is not withdrawn, Applicant requests that a reference be provided that discloses both the recited step and the asserted suggestion to combine the recited step with the auction disclosed in Copple et al. and allegedly modified by Jack et al. – neither of which disclose or suggest that bid points can even be purchased by an auction participant to supplement a current quantity of incentive points available to an auction participant.

Applicant traverses the rejection of **claim 4** for at least the reasons set forth hereinabove with regard to claim 2. Obviousness is established by reference to teachings in the prior art that suggest combining references to render the claimed invention. The Office Action's basis for rejecting claim 4 appears to be based instead upon an understanding of Applicant's disclosure and claims, and the potential of Applicant's disclosed system to facilitate a particular type of negotiation between an auction sponsor and an auction administrator/facilitator such as, for

example, Hinda Incentives. However, neither the Jack reference nor the Copple reference suggest such a business arrangement wherein such a negotiation could even arise. Copple does not even suggest that the auction is conducted by any party other than the sponsor itself. In fact, the background of the invention describes a problem addressed by the Copple system. In particular, Copple addresses the problem faced by a sponsor of managing an inventory of consumer incentive prizes. This problem does not arise in an arrangement wherein a sponsor merely purchases points from an incentive points based on-line auction facilitator that supplies all the prices. In the event that the rejection of claim 4 is not withdrawn, Applicant requests provision of a reference disclosing the recited step as well as its combination with the elements recited in claim 2.

Applicant traverses the rejection of **claim 5** for at least the reasons set forth above with regard to claims 1 and 2 and furthermore in view of the complete absence of any teaching in Jack of an auction method for facilitating incentive points redemption. In the event that this rejection is not withdrawn, Applicant respectfully requests identification of where Jack et al. discloses, as stated in the Office action, "specifying a currency-to-points conversion for each auction sponsor." (emphasis added).

Applicant traverses the rejection of **claims 6-8** for at least the reasons set forth above with regard to claim 1. The rejection of **claim 8** is traversed for at least the further reason that claim 8 recites an automated message delivery service that is neither disclosed nor suggested by the Copple et al. reference.

Applicant traverses the rejection of **claim 10** for at least the reasons set forth hereinabove with regard to claim 1, and thus the combination of steps recited in claim 10 are not disclosed or suggested by the prior art.

In re Michael A. Arkes
Appl. No. 09/414,951

Applicant traverses the rejection of **claim 11** for at least the reasons set forth for claim 1 from which claim 11 depends.

Applicant traverses the rejection of **claim 12** for at least the reasons set forth for claim 1 from which claim 12 depends. Furthermore, Applicant traverses the rejection of claim 12 because, as disclosed at column 6, lines 57-61, the participant's bid points are returned to the unsuccessful bidder (implying that they are deducted when a participant bids). Furthermore, the passage in Copple at column 5, lines 15-22 discloses reducing the number of available points after each bid submitted by a participant on an auction item. The passage referenced at column 7, lines 1-6 concerns "redeeming" points. This apparently arises from an "honor" system (see, col. 5, lines 13-22) wherein a user enters a number of consumer incentive points in the user's possession. In contrast to Copple's disclosed method of deducting points at the time they are bid, the recited method does not take points from a participant until the auction closes and the participant is deemed the winner. Thus, in the claimed system, a participant is allowed to bid up to the number of points held by the participant, on as many auction items as the participant wishes to bid upon.

Applicant traverses the rejection of **claim 13** for at least the reasons set forth for claim 1 from which claim 13 depends.

Applicant traverses the rejection of **claim 9** under Section 103(a) as obvious over Copple et al. in view of Shoham US 6,285,989 B1 filed on August 7, 1998, and issued on September 4, 2001. Contrary to the Office Action's line of reasoning, Shoham actually teaches away from an intranet-based system and instead discloses kits for building Internet-based auction facilities. Thus, combining Shoham with Copple et al. suggests an Internet-based auction rather than an intranet-based auction.

In re Michael A. Arkes
Appl. No. 09/414,951

Applicant traverses the rejection of **claims 14-16 and 18-20** under Section 103(a) as obvious over Copple et al. in view of Barzilai et al. US 6,012,045 filed July 1, 1997, and issued January 4, 2000. Applicant traverses the rejection of **claims 14 and 15**, for at least the reason that Copple et al. is not prior art in view of the declaration submitted herewith by Applicant establishing an invention date with regard to claim 14 that predates the 102(e) date (June 14, 1999) for the Copple et al. reference – thereby effectively eliminating the Copple et al. reference as prior art for purposes of this examination.

Applicant traverses the rejection of **claim 16** for at least the reason that the disclosed and recited "reserved point value total" (e.g., reserved points field 99) is distinguished from a point total (e.g., points field 98). In an exemplary embodiment of Applicant's invention, reserved points field 99 facilitates applying a bidding policy that may or may not limit participants' bid totals to the points held by the participants. Applicant understands the Copple et al. reference to disclose tracking remaining points available to a participant for bidding. Copple et al.'s point tracking corresponds to Applicant's disclosed points field 98. However, Copple et al. does not appear to disclose or suggest a reserved points total, recited in claim 16, that tracks points currently bid by a participant.

Applicant traverses the rejection of **claims 18-20** for at least the reason that Barzalai discloses a monetary-based auction. In contrast, the claimed invention concerns an auction wherein bids are rendered in the form of points. Thus, to render claim 18 obvious, the prior art must suggest modifying a points-based auction of the type disclosed in Copple et al. to include the suggested monetary values asserted by the Office Action to be disclosed in Barzalai. As an initial matter, Applicant is unable to discern where Barzalai discloses a suggested auction item value. Furthermore, neither Copple nor Barzalai disclose or even remotely suggest the

In re Michael A. Arkes
Appl. No. 09/414,951

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desirability of providing such a modification. The points in Copple's points-based auction do not appear to have any comparable monetary value. Therefore, Applicant is unable to discern how attaching suggested monetary values is in any way suggested by Copple in view of Barzilai.

Applicant traverses the rejection of **claim 17** under Section 103(a) as obvious over Copple et al. in view of Barzilai et al. and Ausubel US 6,026,383 filed January 4, 1996, and issued February 15, 2000. Applicant traverses the basis stated in the Office Action for combining Ausubel with Copple and Barzilai. In particular, a current high bid for an item is the only one needed to render bidding decisions in Copple's system since the high bidder is always the winner of the auction (since points are deducted when a bid is submitted). Thus, there is no suggestion to incorporate a bid history into Copple's on-line points-based auction. On the other hand, a disclosed embodiment of Applicant's invention allows a participant to bid, in aggregate for multiple items, such that total bid points exceeds the number of points held by the participant. In this case a need arises to keep a bid history listing lower bids in the event that the highest bidder does not have sufficient points to cover a winning bid.

CONCLUSION

The application is considered in good and proper form for allowance, and the Examiner is respectfully requested to pass this application to issue.


In re Michael A. Arkes
Appl. No. 09/414,951

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If, in the opinion of the Examiner, a telephone conference would expedite the prosecution of the subject application, the Examiner is invited to call the undersigned attorney.

Respectfully submitted,



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